CHAPTER 2

Brands and IMC

The key to building a brand, beyond the obvious marketing considerations such as a viable product, effective pricing strategy, and distribution, is to correctly position the brand, and build positive brand attitude that will lead to a strong brand equity. This is what gives a brand meaning, and it is marketing communication that *drives* the meaning of a brand. One could argue (and we do) that without marketing communication, and especially advertising, it would be difficult, if not impossible, to have what we generally understand as a brand.

Effective IMC assumes a consistent positioning and communication strategy across every contact with the market, building a strong positive brand attitude. Without it, different messages and images can lead to confusion in the minds of the consumer as to exactly what is the meaning of a brand. In this chapter we will be introducing how one goes about positioning a brand generally (we will go into more detail in Chapter 11), how building a strong brand attitude leads to brand equity, and what all of this means for brand portfolio decisions.

The role of IMC in building brands

Interestingly, the original meaning of the word brand is thought to have come from an old Norse word meaning 'to burn', *brandr*. We recognize this meaning, which is in fact, the second meaning offered in the Oxford English Dictionary (OED). What then is the first? If you look up the word brand in the OED you will find the following definition: 'goods of particular name or trade mark'. While this may be literally what is meant by a brand, something that identifies a particular product or service, it is a long way from what we understand a brand to be. That 'particular name or trademark' does a lot more than simply distinguish one good from another. Brands have specific *meanings* to consumers, and these meanings derive in part from experience, but in the main from how a brand has been positioned and presented to people via marketing communication; ideally, through IMC.

Before going further, let us pause to be certain of just what we mean when we are talking about marketing communication. Marketing communication is *every* contact between the brand and the market. This means much more than simply advertising and promotion. It means everything: packaging, the outside of the truck that transports the company's products, sales kits for the trade, business cards, sponsorships, store signs, collateral, retail store layout (if the brand is sold at retail, or is in fact a retail store), newsletters – you get the point. This is why IMC is so critical in building successful brands. Management of a brand must coordinate all these aspects of the brand's communication, ensuring a consistent message.

Returning to what is meant by a brand, we see it in terms of a *label*, again following the OED: something that is 'attached to an object to give information about it'. The concept of a brand transcends its 'particular name or trademark', providing information about itself, *meaning*. And this meaning develops over time, as a result of the brand's marketing communication. Effective IMC ensures control over this meaning.

Even if we take the idea of a brand and extend it to politicians or celebrities (a frequent metaphor), the point remains. A politician or celebrity becomes a 'brand' when people learn things about them through various forms of mass communication; and it is communication in one form or another that sustains them as a 'brand' in their market. Without it, that person is merely someone working in government (or wanting to), or an unknown. Just as with a product or service, successful politicians and celebrities want their name to mean something very specific to their market. They want their 'brand' to carry with it a very particular meaning. Just like other brands, they accomplish this through effective positioning and building a strong favourable attitude.

Social meaning

The meaning of brands goes well beyond the traditional ideas of providing information and understanding. Brands can often represent, or can be used to create, social meaning (Elliott and Percy, 2007). The role of IMC in building social meaning parallels what we have just been discussing. Within a social context, among other things, brands can be a catalyst for social differentiation or integration, and for brand communities. This follows from the personal meaning brands can have.

People often think about brands in terms of human characteristics. This can occur as a direct result of how they perceive users of a particular brand, or perhaps owing to a celebrity endorser. It may also follow indirectly from marketing communication, everything from advertising or symbols associated with a brand to the brand name itself (Aaker, 1997). Another key factor in personalizing brand meaning comes from the emotional associations people have with brands (Percy et al., 2004).

There is a great deal of evidence that men and women understand the same advertising execution in very different ways (Elliott et al., 1995). While much of this no doubt follows from a difference in the motivation that often drives male versus female decisions to use a particular product, there is no question that marketing communication can inform social differentiation. This offers the potential for the effective use of IMC to reflect gender identity in creating a social differentiation brand strategy; or on the other hand, to implement different creative strategies to minimize differentiation. An effective IMC program is essential to a social differentiation strategy for a brand, because such a strategy requires even more coordination and control.

The idea of social integration and brands, on the other hand, reflects the notion that in the everyday use of brands their meaning can help create and maintain social relationships (Douglas and Isherwood, 1979). Kates (2000) has even suggested that brand meaning can be used as a social integration strategy for non-heterosexuals. This follows from the idea that brands are involved in the building and nurturing of groups as a result of a common or shared brand meaning, leading to 'brand communities'. Brand communities were defined in a well-regarded study by Muniz and O'Guinn (2001) as 'non-geographic' communities based on a clearly structured set of relationships among brand admirers. A part of this idea of brand community results from a shared feeling that competitive brands simply do not measure up. It is taking the idea of brand loyalty beyond the individual brand user, suggesting there is a certain communal sense that they are different, more legitimate uses of the brand, than others who merely purchase it.

IMC can certainly play a key role in the development of brand communities. It is the coordinated effectiveness of IMC that ensures a correct, consistent message. But beyond that, as part of an IMC program a brand can encourage brand communities through such activities as 'brandfests'. Dahmler-Chrysler's Jeep brand, for example, hosted events for owners, and found that it significantly increased the likelihood of repurchase among those who attended (McAlexander et al., 2002).

It is the same two pillars of marketing communication that also drives social meaning for a brand: positioning and brand attitude. Of course, for both product and social brand meaning there is a lot more involved. If one is not aware of a brand, they will not know how it is positioned; if one does not correctly process messages about a brand, it is unlikely that they will come to the desired meaning or build positive brand attitude. But positioning and brand attitude provide the foundation for building a strong brand equity, and are at the heart of brand building with strategic IMC.

Positioning

Positioning is the first step in laying the foundation for building a strong brand with IMC. When thinking about positioning a brand with marketing communications one talks about something different from what is generally seen as 'positioning' in a marketing sense. A marketing plan will have established a general positioning for a brand in terms of such things as pricing strategy and product features, and in relation to specific segments of a market.

Positioning in marketing communication involves how a brand is to be positioned within message executions to the target audience. There are two fundamental questions that must be answered in order to ensure an effective positioning. To what need, from the consumer perspective, should the brand be linked? The answer to this question helps position the brand to optimize brand awareness. The second question is what benefits should be emphasized in order to best communicate what the brand offers? The answer to this question will help position the brand to build a strong, positive brand attitude.

But before these questions are addressed, it is necessary to understand the difference between two basic types of brand positioning: central versus differentiated. A brand that is *centrally* positioned must be seen as delivering all of the basic benefits generally associated with the product category. The market regards centrally positioned brands as among the best brands, if not the best, in a category. Because of this, their marketing communication does not need to continually remind people of their benefits. They are assumed. It is enough to remind people that the brand is 'the best'. The ultimate central positioning is when the brand name becomes a generic term for the category. This would include such brands as Xerox, Kleenex, and Hoover.

With all other brands, a *differentiated* positioning should be used. As the term implies, a differentiated positioning looks for a way to differentiate the brand from its competitors. This is accomplished by looking for a specific benefit (or a small set of benefits in some cases where there is a high-involvement purchase decision) that is important to the target audience, and that they believe, or can be persuaded to believe, the brand will deliver better than any of its competitors. The only exception to this is when a brand is believed to be just as good as the category leader, especially if it is lower priced. In that case, the manager could choose to use a central positioning because the brand, like the centrally positioned category leader, will be seen as delivering on all the main category benefits.

Once the basic positioning structure is established, whether the brand should be centrally or differentially positioned, it is time to deal with the questions introduced earlier. The first step in answering those fundamental questions is to gain an understanding of just how *consumers* look at a category.

Understanding how markets are defined

In the beginning of this section we pointed out that how the term 'positioning' is used in marketing differs from how it is used in marketing communications. Nevertheless, the *marketing* positioning will inform the positioning strategy for a brand's marketing communication. The bridge between the two is how the market is understood and defined by the consumer.

Among other things, a brand manager will look at how competitors are positioned within the market, and along what benefit dimensions. Decisions must be made as whether to position a brand in 'gaps' (if they exist), or to attack the position of a specific competitor. Earlier we suggested that two of the criteria often used in market positioning are pricing strategy and product features. If there are no lower priced high-quality brands in a market, and a brand's margins can sustain it, a manager might decide to reposition the brand at a lower price point.

This would have a direct effect upon how that brand would need to be positioned in its marketing communication. But, it need not suggest that the communication positioning must be based specifically upon the lower price. In fact, it would probably make more sense to reinforce the quality image in light of the lower pricing strategy to reassure users that the product quality was not being sacrificed for the lower price. The key is how the consumer sees the market. Do they believe, or can they be persuaded to believe, that a high-quality product in this category can be sold at a lower price?

Let us consider another example. In mid-2005, the UK soft drink marketer Britvic decided to reposition its Tango brand after a five-year slide in sales, and increasing competition from leading brands like Coca-Cola (AdAge, 2005). With the introduction of Coke's 'Z' range of zero-added-sugar soft drinks, they decided to reposition Tango, in marketing terms, by introducing a clear, low-sugar product as Tango Clear. This obviously required a change in how the brand was positioned within its marketing communications, leading to a variation of the brand's long-running campaign that featured some unlucky person being violently attacked, followed by the tagline 'You know when you've been Tango'd'. The new positioning within its advertising followed the product change, focussing upon the benefit of a 'clear' soft drink, and with a new tagline, changed slightly from the original, 'It's clear when you've been Tango'd'. This consistency with earlier advertising reflects good IMC, as we discussed in the first chapter, and will deal with at length later on in this book.

In this case, the brand was following a shift in consumer demand from heavily sugared fizzy soft drinks to more healthy alternatives. But, it still begs an important question for positioning. What exactly is the market in which Tango competes? The obvious answer is the soft drink market, but there is much more to it than that. Of course Tango is a soft drink; and the new Tango Clear has no colour, and it is low in calories. So, should Tango be positioned in the fizzy drink market? Should it be positioned in the fruit drink market, or the clear drink market, or the low-calorie market? As you can see, the answer is really not that obvious.

Positioning and brand awareness

From an IMC positioning standpoint, getting the right answer here is critical to effective positioning. If we do not fully understand how Tango's customers define the market, we will not be able to optimize the positioning for brand awareness. It is essential to understand what Tango is associated with in its target market's memory so that when they think about Tango it is linked to the correct category need.

One of the ways to look at how consumers 'see' a market is with something called hierarchical partitioning. The thinking behind this approach is that there is a particular set of product attributes that a consumer will consider when defining a market, and that they use that set of attributes to sub-divide the market into successively smaller segments. The smaller the segment, the more alike the products and brands in that set will be seen by the consumer and it will be from that hierarchically defined set that an actual choice will be made.

As we have just seen, Tango might be seen as competing in any of a number of markets. Figure 2.1 illustrates one way the market might be defined by the consumer. If this was indeed the case, Tango's marketing communication must seek to link the brand in the consumer's mind with fizzy fruit soft drinks so that when the 'need' for a fizzy fruit soft drink occurs, Tango will come to mind. Notice that this partitioning of the market ignores the fact that Tango is colourless and low in calories. But if this is how consumers see the market, those attributes are unnecessary for building brand awareness.

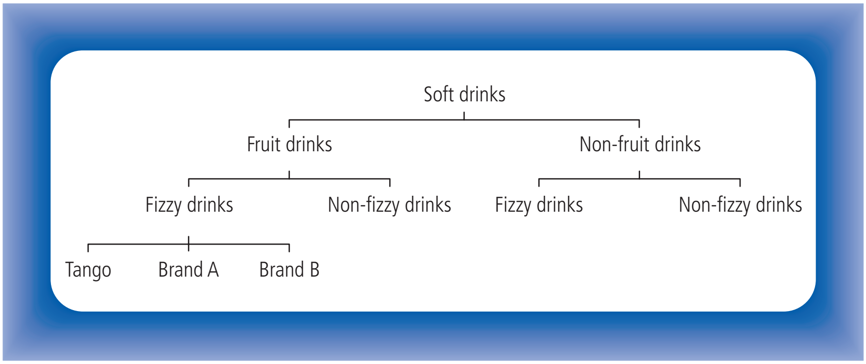

Figure 2.1 Hypothetical hierarchical partitioning of the soft drink market

But, this does *not* mean that either 'colourless' or 'low in calories' should not be used as benefits in the brand's marketing communication. It only means that they do not figure in how the consumer *defines* the market. It could be very effective to select the 'colourless' attribute to focus upon in the IMC campaign (as the brand did) in order to help build positive brand attitude.

On the other hand, perhaps the soft drink market is defined by consumers as shown in Figure 2.2a or 2.2b. If Figure 2.2a was correct, it would mean that Tango was seen by consumers as a clear fizzy drink, competing with other clear carbonated soft drinks like Pepsi Clear. If Figure 2.2b reflected how consumers see the market, they would see Tango as a low-calorie fruit drink, competing with both fizzy and non-fizzy products. The way consumers define a market identifies a brand's competitors.

What we have been discussing is the most common way most markets are defined by consumers – in terms of product attributes. But it is also possible for markets to be partitioned by consumers in terms of such things as end-benefits or usage situations. Continuing with our Tango example, the soft drink market might be seen in terms of end-benefit such as 'healthy' or 'refreshing'. If this were the case, the essential positioning link would seek to associate Tango in the consumers' minds as either a 'healthy' or 'refreshing' drink so that when they wanted either a

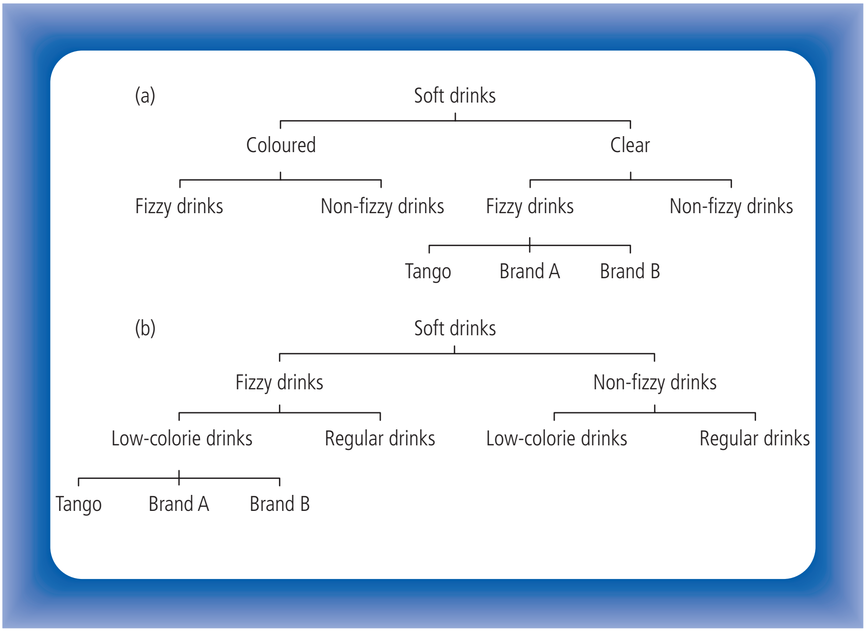

Figure 2.2 Hypothetical alternative hierarchical partitioning of the soft drink market

healthy or refreshing drink they would think of Tango. Similarly, the soft drink market might be seen in terms of usage situations like 'after exercise' or 'watching weight'.

It should now be clear why it is so important to get this correct. The first job of positioning is to establish the link between the brand and the category need in the mind of the consumer, so that when the need occurs, the brand comes to mind. This is what brand awareness is all about.

Positioning and brand attitude

The second issue that must be considered in positioning a brand in marketing communications is how it will be presented within the message and execution. One is looking for the best way to communicate what the brand offers, and that it will be seen to be not only different from competitive brands, but better. This reflects the positioning decision for optimizing brand attitude. Later, in Chapter 11, we will look more closely at how to go about selecting the benefit to talk about, and how to best focus upon the benefit in the execution to reflect the underlying motivation driving behaviour in the category.

What we want to focus upon at this point is the initial positioning decision a manager must make about how to position what the brand offers, the decision as to whether the message should be about specific characteristics of the brand or product, or about the user of the brand. In addressing the question of what a brand offers, there are two basic options for positioning. The brand may be positioned towards the user or towards a specific benefit of the brand (or in some cases a set of benefits). These are generally referred to as user-oriented versus product-oriented positioning.

It is not often that a user-oriented positioning should be used in IMC, but it can be an option when a brand is being marketed to a particular segment, and the strategy is to specifically address them in the message. This might be the case, for example, if one were advertising a high-end music system and wanted to target a small segment of 'knowledgeable' buyers. A user-oriented position here might use a message that talked about the brand as being for 'sophisticated' or discerning buyers.

Another case where a user-oriented positioning might be considered is where social approval is the primary motivation driving the behaviour of a brand's target audience. Social approval is one of the two positive motivations that can drive purchase behaviour (the other positive motive is sensory gratification). Motivation is one of the foundations of brand attitude strategy, along with involvement, and will be covered in depth in Chapter 4. When social approval is motivating the target audience, it means they are buying the product in search of an opportunity for social reward through personal recognition. An example here would be when a man buys the woman in his life an expensive piece of jewellery. It is unlikely that he is buying it for personal enjoyment, but rather for a positive response from the lady. Advertising messages here might talk about the brand as ensuring the man will be rewarded by the lady when he buys it.

These are the two principle situations where the manager has the option of utilizing a user-oriented positioning. In the one case the brand is positioned to 'flatter' a specific segment of the market being targeted, and in the other it offers the personal recognition the target audience is seeking in buying the product. One may also use a product-oriented positioning in these cases, but in all other cases, a product-oriented positioning is required.

With a product-oriented positioning, the benefits of a product are the message. While the execution may feature users, the focus of the message will be upon the benefit and the brand's performance. Utilizing benefits that are important to the target audience and that the brand is seen as delivering (or can be persuaded it delivers), a product-oriented positioning will seek to present what the brand offers in a way that it will be seen as not only different from the competitive brands, but better.

Positioning is the first pillar in the foundation for building strong brands. In this brief overview we have seen how positioning in marketing communications is not necessarily the same as the positioning of the brand in a marketing plan; but it will always be in support of the brand's overall positioning in the market. A brand will be either centrally or differentially positioned, and assume either a user- or product-oriented positioning as appropriate. There is more to it of course, as we shall see in later chapters. Establishing the correct positioning is critical to building a strong brand attitude. In the next section we take an initial look at brand attitude, and we will continue to re-visit it throughout the book.

Brand attitude

Brand attitude is the second pillar in the foundation for building strong brands with IMC. What exactly is brand attitude? Everyone has brands that they like and brands that they don't like. That preference *reflects* their brand attitude. But where does it come from? People who study consumer behaviour like to use something called an Expectancy-Value model to explain how people form attitudes (Fishbein and Ajzen, 1975).

In its simple form, the Expectancy-Value model of attitude suggests that someone's attitude towards an object (A_o), a brand in our case, is a function of everything they know or believe about that object (b_i) weighted by how important each of those beliefs is to them (a_i):

$$A_o = \sum_{i=1}^{n} a_i b_i$$

where A_o = attitudes towards the object
a_i = importance of belief, and
b_i = belief about the object.

Let us consider an example. Think about a product like toothpaste. What are some of the things you 'know' or believe about toothpaste? Perhaps, that it has fluoride, helps whiten the teeth, freshens breath, helps prevent tooth decay, etc. How important is it to you that toothpaste has fluoride, helps whiten teeth, etc.? Now consider a brand of toothpaste like Crest. Do you believe Crest has fluoride, helps whiten teeth, etc.? Does it have a lot of fluoride; does it really whiten teeth or only do an average job?

In the end, your attitude towards Crest will be the result of how many of the things that are important to you in toothpaste are delivered by Crest. The more benefits, important to you, that you feel Crest offers, the more positive your brand attitude for Crest will be. If it offers a lot of benefits important to you, you will probably really like it. If it doesn't, or perhaps more importantly if you do not think that it does, or know it doesn't, you will not have as favourable an opinion or attitude towards it. And if you feel it does a really bad job on a very important benefit, you may not like it at all.

Of course, you have probably never really thought about toothpaste in quite this much detail before. Nevertheless, perceptions of benefits like these have made their way into your memory, and associations of brands with these benefits have gone into forming your overall summary judgements about them. You do not need to 'think through' why you hold the attitude you do for different brands, you need only to recall the summary judgement. You simply 'like' Crest better than Colgate. In effect, the brand name and its meaning frees you from making extensive evaluations of brand alternatives every time you make a purchase decision.

Where does most of the brand knowledge come from that informs brand attitude? Marketing communication, and how the brand is positioned in the message. Experience, to be sure, plays a role, but for most people, for most brands, they simply 'know' something about them. Think about two very different product categories, like beer and computers. You probably are aware of many more brands in each category than those with which you have had personal experience, but you probably have 'attitudes' about all of them. You think some brands are better than others; this is a strong lager, that is a faster computer. Each brand in the category with which you are aware has taken on a meaning that reflects your experience, knowledge, beliefs, and feelings about it: brand attitude. The primary source of that information comes from the positioning of the brand and what is said about it in marketing communication. Effective IMC ensures strong and consistent support for building and nurturing a positive brand attitude.

How IMC is used to effectively build a positive brand attitude will be dealt with in Chapter 4 when we look at the role of traditional advertising in IMC. What we want to talk about here is how positive brand attitude leads to strong brand equity.

Building brand equity

We have mentioned several times that positive brand attitude leads to a strong brand equity. But what exactly is brand equity? While there are almost as many definitions of brand equity as there are people talking about it, almost all will have in common the idea that brand equity represents an *added value* to a product, a value that goes well beyond the objective characteristics of the product itself (Elliott and Percy, 2007). This added value quite literally makes the brand name itself a strong financial asset to the company marketing it. It does this because a strong brand equity means that a brand is well known, is positively associated in the mind's of consumers, is seen as 'better' than other brands, and is likely to have a strong core of loyal users (Aaker, 1991). This in turn ensures better distributors and strong demand.

Think of some of the products you buy, especially fast moving consumer goods or other low-involvement products. Is there really that much of a difference between brands of washing powder, brios, mouth rinse, toilet tissue, underwear, or tinned tomatoes? Why do most people prefer to buy a branded aspirin rather than generic when both are nothing but aspirin? Why do some people not only prefer Coke to Pepsi (or Pepsi to Coke), but *passionately* prefer it to the point of not even wanting to drink the other? And this in spite of the fact that these passionately loyal drinkers cannot tell the difference between the two in blind taste tests? Obviously, something is going on here that goes well beyond the sensory characteristics of the product.

So what is it about certain brands that lead people to feel they are better than others, even when they may use the same basic ingredients, get the job done equally well, or even taste the same? The answer is brand equity. For these people, there is just something 'better' about it, and there is no arguing with them. Ask the people at Coke who tried to introduce New Coke in the mid-1990s. Managers at Coke felt they were losing share to Pepsi among the younger demographic, and thought the reason was that Pepsi's formulation was somewhat sweeter. They decided to introduce a re-formulated product that people, Coke drinkers and Pepsi drinkers, preferred to both their current products. When they developed a product that was indeed preferred by everyone, it was introduced as New Coke, with the intention of replacing the original product.

But there was an almost violent reaction in the market among loyal Coke drinkers. They were incensed that the company was considering phasing out their beloved product! The company quickly backtracked, and it was New Coke that was retired. How could they have made such a mistake? They completely ignored the strong brand equity Coke had built with over 100 years of advertising reminding drinkers that 'all the world loves a Coke' and 'Coke is it'. All the many taste tests conducted to find the perfect formulation were conducted 'blind'. No one knew what product they were drinking. You can bet that had they tested the 'preferred' formulation with original Coke when Coke drinkers knew what they were drinking, original Coke would have been preferred.

This entrenched power of brand equity was illustrated in a very interesting neuroimaging study. As we shall see later in Chapter 8, emotional associations with brands are an important part of how people process information about them, and these emotional memories (stored in the amygdala) interact with knowledge and assumptions about brands that come from the hippocampus when we make judgements. A group of neurobiologists used functional magnetic resources imagery (fMRI), a process that measures brain activity, to determine what parts of the brain are energized when taste preferences are made (McClure et al., 2004). The test was conducted in both labeled and blind conditions, and among loyal and non-loyal drinkers of the brands: and the brands were Coke and Pepsi.

What they found was that when people did not know what they were drinking, only that part of the brain dealing with sensory evaluations (the ventromedial prefrontal cortex) was active, and preference was basically random. Regular drinkers were no more likely to pick their 'favourite' than the one they did not drink. But when there was brand knowledge, for loyal Coke drinkers the hippocampus, dorsolateral prefrontal cortex and midbrain were also active. These are the areas of the brain known to be involved in influencing behaviour based on emotion and affect (i.e. 'liking'). And no surprise, they preferred Coke. In effect, they were showing the influence of brand equity. The positive feelings associated with the brand were activated by the knowledge that they were drinking their favourite brand.

In a very real sense, a brand only exists in the mind of the consumer, in the meaning that has been built over time through marketing communication. To the extent that this marketing communication, in all its aspects, has been consistent in well positioning the brand and building positive brand attitude, a strong brand equity will evolve leading to loyalty that goes well beyond any rational consideration of the product. This is what results from truly effective IMC. Of course, even the best IMC programs will not lead to complete loyalty to a brand among everyone. But, it will encourage a positive brand attitude that does energize positive brand equity, and this will help maximize brand loyalty.

Again, think of your own feelings for different brands. You may be fiercely loyal to a particular brand in a category, but still feel that one or two other brands in that category are also quite good. You may in fact feel that some brands have strong brand equity, indeed stronger and more positive than the brand you buy, yet you do not buy them. Examples here might include brands such as Roles Royce or Lear Jet. You just 'know' they are good brands; and not because of your experience with them. You know they are good brands because over time the marketing communication for those brands has built a positive brand attitude in your mind, leading to strong brand equity.

In these examples, you may not even be aware of much exposure to their marketing communication. After all, you are unlikely to be in their target audience. But you will have been exposed to them indirectly through such things as product placement in movies, and through general word of mouth. All of this is an important part of effective IMC in building a brand.

Brand portfolio considerations

Most marketers, even relatively small ones, offer more than one product or brand. This may take the form of something as simple as a line of items under a single brand name to multiple products and brands offered by large multinational companies. For any marketer offering more than a single product, it is important that the marketing strategies for their brands be coordinated in order to optimize the overall profitability of the company. This coordination is generally thought of as product portfolio management, and within it, brand portfolio management.

One might think about this in terms of a grid, as illustrated in Figure 2.3. Here, all of the products a company markets would be shown along the top, with the brands offered beneath each product. While we are not going to discuss this in depth because it is more properly covered in a

Product portfolio

Brand portfolio

Product Type A	Product Type B	Product Type C	Etc.
Brand 1 Brand 2	Brand 1 Brand 2 Brand 3 Brand 4	Brand 1	

Figure 2.3 Product and brand portfolio grid

strategic brand management text (e.g. Elliott and Percy, 2007), it is nonetheless important to have a general idea of what is involved in product and brand portfolio management because it informs IMC strategy.

Product and brand portfolio management looks at everything a company now markets, as well as future plans for acquisitions, product line extensions, and brand extensions, in order to optimize the contribution of each product and brand for the overall health of the company. Issues such as the core competencies and equity of the parent company and individual brands must be considered; the market segments to be served; and competitive positioning within those markets. The implementation of such planning relies fundamentally upon branding strategy, and the implementation of branding strategy is the job of IMC.

Branding strategy

Branding strategy involves something Kapferer (1997) has called 'brand hierarchy', which reflects the level at which a brand name is used. The basic question is: should a product be uniquely branded or encompass some combination of an existing brand name (or the parent brand) with a new one, generally known as sub-branding? Sub-branding has many permutations, but comes down to adding a new brand name to an existing brand name in order to borrow the already existing strength and equity of that brand, while at the same time creating a specific brand identity for the new brand. The advantage of sub-branding is that it permits the creation of brand-specific beliefs, but without the necessity of starting from scratch.

In Kaferer's discussion of branding strategy, he introduces a useful distinction. He looks at alternative branding strategies in terms of the extent to which a brand will function as an indicator of product origin versus differention of the product. A stand-alone or uniquely branded product seeks to differentiate the brand. It implies that the company behind the brand is unknown. This provides greater latitude for brand extensions, but requires a heavy initial investment in marketing, especially marketing communication.

Sub-branding strategies seek to provide an indicator of the product's origin. The two most commonly understood types of sub-branding are known as *source* branding and *endorser* branding. With a source branding strategy, the parent company or brand is supporting the quality of the product, and the brand must be positioned to reflect the equity of the parent. If a source branding strategy is used, either the company or an appropriate brand name from the company's brand portfolio is used to *introduce* the new brand. Examples here would be IBM ThinkPad, and Nestle's Crunch.

An endorser branding strategy implies that the parent brand has given its 'approval' and support to the product, while assuming a secondary position, encouraging the brand to develop its own image with the cross-potential of nurturing the parent. With an endorser branding strategy, the brand name comes first, with the parent brand second, and often with a significantly reduced presence. Examples here would be Philadelphia Cream Cheese from Kraft and Kira St Johns Wart from Lichtner Pharma.

Stand-alone brands

The advantage of a unique, or stand-alone, brand is that it enables a brand to create its own identity independent of a parent brand. As mentioned, this usually requires more of an investment, but it permits the brand to develop more in directions that may not be compatible with a parent brand's core competency or equity. It also avoids the possibility of negative associations with the parent informing the image of the brand, or even the possibility of a negative response to the brand reflecting upon the parent.

Just such a possibility influenced Anheuser-Busch branding strategy when they first introduced a lower calorie beer. They were not willing to risk the equity of their existing brands, especially their flagship brand Budweiser, by initially introducing a sub-brand like Bud Light. They were concerned that potentially negative associations with 'light' beers among their core market could reflect badly upon their brands. As a result, they created a new brand that, while it used the parent company as a source, avoided the use of existing brand names: Anheuser-Busch Natural Light.

This case provides a good example of how IMC is involved in brand portfolio strategy. The marketing communication for the new brand needed to link Natural Light to Anheuser-Busch, but without associating it in memory with existing Anheuser-Busch brands. It required its own, distinct, identity. The initial advertising and other marketing communication treated the new brand specifically as a source brand, always prefacing Natural Light with Anheuser-Busch. Unfortunately, research discovered that when people ordered it they asked for a Bud Light or Busch Light (what the industry refers to as the 'bar call'). They quickly changed the advertising, dropping the reference to Anheuser-Busch and focusing attention on 'Natural', spending much of each execution establishing the beer call as 'give me a Natural'.

Over time as the market for lower calorie beers established itself, Natural Light eventually became a price brand without marketing support, and the brewery introduced a lower calorie version of each of their key brands: Bud Light, Busch Light, and Michelob Light. In branding strategy terms, this represents a brand extension where the Anheuser-Busch Natural Light branding strategy was a 'corporate source' strategy, with the corporation endorsing the quality of the beer and acting as a seal of approval. The product was not meant to seem autonomous.

A good example of a stand-alone brand being created specifically to avoid negative carry over from the parent company is the case of O_2. In 2002 BT Cellnet was a brand in real trouble, loosing share to competitors like Orange and Vodafone in the UK. A decision was made to de-merge parent BT Wireless from BT, and reintroduce the brand as O_2 distancing itself completely from its antecedent. While this required a significant marketing investment, coupled with the need to supply an ongoing revenue stream to support what was in many ways an existing brand, the new brand enjoyed strong initial support, quickly reaching and surpassing the old levels of its predecessor brand BT Cellnet. The company attributed much of this success to the benefits of an IMC campaign addressing consumers, trade, and staff.

Sub-brands

As discussed earlier, sub-branding generally follows either a source or endorser branding strategy. These sub-branding strategies may operate at either a corporate or brand level. Nestle's Crunch is an example of a *corporate* source branding strategy, with the parent company supporting the quality of the product. Nescafe Gold Blend is an example of a *brand* source strategy, where the brand Nescafe supports the quality of the product. Nescafe, of course, is a Nestle brand, but it is a stand-alone brand. While there is an obvious alliterative reference to the parent company, it is not explicitly a part of the branding strategy. This same corporate or brand level distinction operates with endorser branding strategies as well (for example, Norwich Union an AVIVA company).

Product and brand portfolio strategies informs a company's branding strategy, and how IMC will be used to establish the brands in their markets. To illustrate, let us consider Interbrew. Interbrew is one of the world's largest brewers, yet there is no 'Interbrew' beer brand. Do you know what brands they market? They market over 15 brands in Western Europe alone. Looking at their product portfolio strategy, they have chosen to market a few global stand-alone premium lager and speciality beers, but their core strategy is the marketing of 'local' brands. According to their 2001 Annual Report, Interbrew's strategy as the 'world's local brewer'© is to 'build strong local platforms in the major beer markets of the world'. This is the positioning of the *parent* company, but it will certainly inform the branding strategy for individual brands. The 'brand' Interbrew in reality only exists for the *financial* community, but bear in mind that this too must be considered as a part of their overall IMC campaign.

Let us look more closely at this. Figure 2.4 presents a partial product and brand portfolio grid for Interbrew. Are you surprised at the brands in their portfolio? It is part of Interbrew's branding strategy to *not* link their individual brands with the parent company. With the exception of the international premium and specialty brands, whose channel costs are already paid and thus return a higher profit, the heart of their portfolio

Product portfolio

Brand portfolio	International premium brands	International speciality brands	Local brands
	Stella Artois Beck's	Hoegaarden Leffe Bass	Tennet's Klinskoye Chernigirski Labatt Blue Jupiler

Figure 2.4
Partial Interbrew product and brand portfolio grid

strategy is local brands representing in most markets either the number one or number two selling brands in that market.

IMC strategic planning for Interbrew, among other things, would need to take into account the fact that the overall corporate positioning is to look at most of their brands as 'local'. This means that a brand like Tennent's or Diekirch should *not* be positioned in their marketing communications along brand lines suggesting they are, say, 'one of Europe's best beers'. Rather, they should adopt a position reflecting an easily identified local association: for example, Tennent's 'the original lager brewed in Scotland'. However, Interbrew's global brands such as Becks and Stella Artois should be positioned more broadly in their IMC campaign, perhaps along the lines of something like 'one of the world's favourite beers'. This is, of course, a very simplistic look at positioning, meant only to illustrate the link between product and brand portfolio strategy and IMC. Later in Chapter 11 we will be looking at how to optimize brand positioning.

At another level of branding strategy within the brand portfolio, consider Interbrew's Labatt brand. Labatt markets three products under this name: Labatt Blue, Blue Light, and Ice. In a sense, Labatt acts as a source for the 'brands' Blue and Blue Light, but Ice is a stand-alone brand. From a branding strategy standpoint, each of the three products will have its own specific communication. But from an IMC strategy standpoint, there must be a 'sense' that these are all Labatt beers. Beyond this, the link between Labatt Blue and Blue Light should be stronger than the link between them and Labatt's Ice. This does *not* mean that the advertising must create unique brand identities, but at the same time something must communicate the brand equity associated with Labbat. We will be dealing with this sometimes-difficult issue of a consistent 'look and feel' later in the book.

Interbrew offers an example of where the parent company itself is not a brand, or a part of the branding strategy. Volkswagen offers a much different example of product and brand portfolio strategy. Everyone knows that Volkswagen is a 'brand', with a number of sub-brands such as Polo and Passat. Many people may also know that they are the parent company for other automotive 'brands' such as Audi. But not many people know that they are also the parent company of Lamborghini, Buggatti, and Bentley.

Think about this in terms of IMC strategy. If you are marketing Bentley, would you want people to know that you are a Volkswagen company? VW's brand equity may be positive in many respects, but it is unlikely to favourably transfer to Bentley. On the other hand, while it might seem that the perceived high quality and luxury associated with Bentley could help boost the perception of the VW brand, the problem is that the two brands are simply not compatible. They satisfy different category needs and market segments.

People would be unlikely to believe that a Volkswagen, priced at €20,000, could deliver the same high quality as a Bentley, priced at €200,000. In positioning, this reflects the need to correctly link the appropriate need with a brand. Effective IMC will help ensure that when a need for a particular type of motor car occurs, the advertised brand comes to mind. This requires building the appropriate links in memory, as discussed earlier.

Volkswagen itself basically uses a source branding strategy. Recall that a source branding strategy is where the parent company is supporting the quality of its sub-brands, and the sub-brands reflect the equity of the parent brand. In terms of IMC strategy, an umbrella family spirit should be present, even though the sub-brands have their own individual names and specific communications strategy. In the early 2000s, for example, regardless of whether it was advertising for a Golf, Passat, or other VW sub-brand, while each sub-brand's advertising was unique, it was all tied together with the tagline 'Drivers Wanted' under the VW logo.

In this section we have taken only a brief look at how product and brand portfolio strategy informs branding strategy, which in turn establishes the foundation for IMC strategy. The point is that a manager cannot approach the development of an IMC program for a brand without an understanding the company's overall branding strategy within its portfolio management. The hard work of developing an effective IMC strategy for a brand is of course specifically brand centered, but it must be consistent with the overall marketing strategy for a firm's portfolio of brands, as reflected by its branding strategy.

Summary

In this chapter we have looked at how IMC helps build brands. Brands have meaning, and that meaning builds over time largely as a function of marketing communication. An important part of a brand's meaning will also include social meaning, and this to is informed by marketing communication. It might even be argued that one could not have a brand without marketing communication. This is because marketing communication should be seen as literally *every* contact between a brand and its market. This means everything from advertising and promotion in its traditional sense to such things as store presentation, packaging, events, product placement in movies. In other words any representation of the brand. It is IMC that offers the manager the ability to ensure consistency of meaning over all contact with the market.

This begins with establishing the optimum positioning for the brand. While the general positioning will have been provided by the marketing plan, a specific positioning must be established for marketing communication. This requires correctly identifying the link between the brand and category need in order to effectively build awareness for the brand, and selecting the correct benefit for increasing positive brand attitude. Brand attitude is critical in building strong brands because it is positive brand attitude that leads to a strong brand equity.

IMC must also take into account brand portfolio considerations, especially branding strategies. To the extent that a company offers different brands within a category or brand

extensions, the branding strategies will inform how the communications strategy for those brands or extensions will be developed. Stand-alone brands provide an opportunity for unique identification, independent of a parent brand (where one exists). Sub-brands will reflect the identity of the parent brand, either as a source or endorser. With a source branding strategy, the parent is supporting the quality of the product. Any endorser branding strategy implies that the parent brand approves and supports the brand, while assuming a secondary position.

Review questions

1. How does IMC help build brands?
2. How is IMC involved in creating social meaning for a brand?
3. Identify brands you feel that have created social meaning, and discuss how IMC is likely to have contributed.
4. Why is positioning so critical to effective IMC in building brands?
5. Identify competing brands that are clearly positioned differently, and discuss which position is likely to be more effective.
6. Is there likely to be a centrally positioned brand in the beer category? What about household cleaners, computers, and designer fashions?
7. Identify brands that use a user-oriented positioning and discuss its appropriateness.
8. What is the relationship between positioning and brand awareness and brand attitude?
9. How would you define brand attitude?
10. What is the role of IMC in establishing and building brand attitude?
11. How does a brand's portfolio management impact upon IMC strategy?
12. Identify examples of stand-alone, source, and endorser brands, and discuss how IMC should be used to support their brand strategy.

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